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SENATE BILL 382

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Leonard Lee Rawson

AN ACT

RELATING TO REVENUE; CHANGING THE CONDITIONS UNDER WHICH A HORSE RACETRACK MAY DEDUCT CERTAIN COSTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 60-1-15 NMSA 1978 (being Laws 1933, Chapter 55, Section 9, as amended) is amended to read:

"60-1-15. TAX LEVIED--CERTAIN LICENSE FEES AND TAXES PROHIBITED.--

A. In addition to the daily tax provided in Section 60-1-8 NMSA 1978, a tax of two and three-sixteenths percent is levied on the gross amount wagered each day at each place where horse racing is conducted by any state fair association designated by law that in good faith conducts a public fair and exhibition of stock and farming products or where horse racing for profit is held. The tax shall be paid from the commissions

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1 of the licensee.

2 B. To encourage the improvement of those horse
3 racing facilities not licensed as gaming operators pursuant to
4 the Gaming Control Act and for the benefit of the public,
5 breeders and horse owners [~~and to increase the revenue to the~~
6 ~~state from the increase in pari-mutuel wagering and tourism~~
7 ~~resulting from these improvements~~], not more than two percent
8 of the tax levied under Subsection A of this section [~~(1)~~] for
9 the first two hundred fifty thousand dollars (\$250,000) of
10 daily handle [~~only~~] shall be offset for class A licensees not
11 licensed as gaming operators pursuant to the Gaming Control Act
12 by the amount that each licensee expends for capital
13 improvements or in financing term investment in capital
14 improvements at existing racetrack facilities and for class B
15 licensees not licensed as gaming operators pursuant to the
16 Gaming Control Act by the amount that the licensee expends for
17 capital improvements, not to exceed fifty percent of the tax
18 levied under this section, and by the amount the licensee
19 expends for advertising, marketing and promoting horse racing
20 in the state, not to exceed fifty percent of the tax levied
21 under this section. The offset provided in this [~~paragraph~~]
22 subsection shall also apply to the daily handle generated at
23 its facility by a licensee engaged solely in simulcasting
24 pursuant to Section 60-1-25 NMSA 1978. The term "capital
25 improvement" means any capital investment in items that are

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1 subject to depreciation under the United States Internal
2 Revenue Code of 1986 and are approved by the state racing
3 commission [~~and~~
4 ~~(2) for class A licensees for the period~~
5 ~~through June 30, 1995 for the total amount wagered each day on~~
6 ~~amounts in excess of two hundred fifty thousand dollars~~
7 ~~(\$250,000) but not in excess of three hundred fifty thousand~~
8 ~~dollars (\$350,000), shall be offset by the amount that each~~
9 ~~licensee expends for advertising, marketing and promoting horse~~
10 ~~racing in the state. The offset provided in this paragraph~~
11 ~~shall also apply to the daily handle generated at its facility~~
12 ~~by a licensee engaged solely in simulcasting pursuant to~~
13 ~~Section 60-1-25 NMSA 1978. The licensee is required to keep~~
14 ~~accurate records of any expenditures made pursuant to this~~
15 ~~paragraph, and the state auditor is required to audit the~~
16 ~~expenditures and submit his report to the state racing~~
17 ~~commission)].~~

18 C. To compensate for the additional municipal
19 services required by the location of a racetrack within a
20 municipality, an amount of revenue derived from the tax levied
21 on [~~such a~~] the racetrack under Subsection A of this section,
22 above the amount offset by capital expenditures and advertising
23 as provided in Subsection B of this section, shall be
24 transferred to the municipal treasurer of the municipality in
25 which the track generating the revenue is located for

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1 expenditure by the municipality in providing those additional
2 municipal services. The amount to be transferred shall be
3 determined in accordance with the provisions of Section
4 60-1-15.2 NMSA 1978.

5 D. Accurate records shall be kept by the licensee
6 to show all commissions, total gross amounts wagered and
7 breakage, as well as other information the state racing
8 commission may require. Records shall be open to inspection
9 and shall be audited by the commission or any of its authorized
10 representatives. Should any licensee fail to keep records
11 accurately and intelligibly, the commission may prescribe the
12 method in which the licensee shall keep records.

13 E. All remaining revenues collected as a result of
14 the tax on the gross amount wagered shall be deposited in the
15 state general fund.

16 F. Notwithstanding any other provision of law, no
17 political subdivision of this state may impose any occupational
18 tax against a racetrack operating under authority of a license
19 granted by the state racing commission. No political
20 subdivision may levy an excise tax against any racetrack
21 operating under authority of a license granted by the state
22 racing commission, except that ~~[taxes imposed pursuant to the~~
23 ~~County Gross Receipts Tax Act, the County Fire Protection~~
24 ~~Excise Tax Act, the County Sales Tax Act, the Municipal Gross~~
25 ~~Receipts Tax Act, the Supplemental Municipal Gross Receipts Tax~~

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1 ~~Act and the Special Municipal Gross Receipts Tax Act]~~ local
2 option gross receipts taxes may be imposed to the extent
3 permitted by law."

4 Section 2. EFFECTIVE DATE.--The effective date of the
5 provisions of this act is July 1, 2004.

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